



November 2011

# briefing

## Balance in the boardroom – the way forward for business

by Katy Chamberlain

In the wake of the economic crisis, some much needed positive thinking is emerging around the issues of risk awareness and the quality of decision making in the boardroom.

This is essential as the scale and impact of the crisis is going to be felt for years to come. Whilst there will be no quick fix to the economy, I am encouraged that there are a number of decisive steps that can be taken towards transforming the way boardrooms perform.

One of the simplest is to improve the gender composition on boards. This issue has been much debated and Lord Mervyn Davies' report earlier this year appears to be the start rather than the last word on this evolution, but it's important that it stays in the public consciousness and doesn't slip onto the back burner.

There are plenty of arguments already for achieving gender balance around the Board table – the need to make Boards representative

of the customer base and of the workforce, and the very telling point, described in the European Commission's report "More Women in Senior Positions", that research studies support the growing view that more women on Boards serves to moderate the risk taking culture.

Perhaps the most important factor is the loss of talent we face by failing to establish systems of talent recognition and promotion which enable women to reach senior positions. We all know that to improve our economic position we are going to have to work very hard – so it just doesn't make sense not to use all the talent available. We know that women are achieving in school, college and university, so how do we adapt our working cultures and practices to get these capable people into leadership positions?

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The first thing we need to do is to stop making assumptions about how people live their lives, especially around caring responsibilities.

Companies have an opportunity now to embrace shared paternity and maternity leave so that decisions around an individual's potential for leadership will not be clouded – as some employers still admit - by conjecture about their plans for raising a family.

Organisations which have implemented robust flexible working practices – focused on the delivery of business priorities and available to all employees, regardless of gender or reason for the request – will have a head start, but that needn't stop their rivals from taking the same steps. Fifteen years ago many of us wrote our reports in long-hand and thought this email business would never catch on - we can all benefit from challenging the status quo. Many of Chwarae Teg's employer clients have found that flexible working can be successfully implemented across or in sections of their business where they thought it impossible.

And many companies are now looking at how they identify leadership qualities, and whether their talent management systems are geared – probably unconsciously – to traditionally male ways of working and expression. In identifying and nurturing talented individuals through an organisation, it will be necessary to focus specifically on women, as in most cases the existing methods clearly need to be adapted to ensure that women reach their full potential.

On top of these key steps, it makes sense for organisations to highlight their female role models. It doesn't just require self-belief to work towards a goal - it requires a genuine belief that the goal is achievable. Drawing attention to the achievements of women at key stages in the career ladder will strengthen the faith of others that they too can reach senior positions.

It's important to recognise that this transformation oughtn't to be limited to the boardrooms of FTSE 350 companies. Using the talents of everyone available is perhaps even more important for small and medium sized entities, and certainly applies across all sectors – private, public and the third sector. For smaller companies who perhaps can't compete on salaries and benefits with larger rivals, the benefits of being able to demonstrate excellent working practices such as flexible working and strong talent management systems will be attractive to potential employees.

In his report, Lord Davies stopped short of recommending quotas in favour of internally set targets and the annual publication by quoted companies of the proportion of women on the Board. Taking steps such as those described above throughout our organisations will create a pool of female talent that will be best placed to rightfully take their place in senior board level roles.

What we need are not only role model women, but role model organisations which are prepared to make the necessary changes and lead the way. These are the ones which will gain the competitive advantages of female talent, opinion and experience sitting on their boards and throughout their management team.



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